

Economy

Chinese firm to invest USD 45 Mn in Bangabandhu Sheikh Mujib Shilpa Nagar

Chinese firm **Fujian Mengba Investment Co Ltd** will build a **steel construction materials factory** at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) **by investing USD 45 Mn**. To this end, Bangladesh Economic Zones Authority (Beza) and Fujian Mengba Investment signed an agreement on Wednesday (14 June) for allotment of 20-acre land to the company, Beza said in a press release.

Beza said the company will manufacture construction materials including MS rods, angles, channels with an investment of about USD 45 Mn. The factory is expected to create employment for 1,350 people. Earlier, five Chinese investors were allotted land in BSMSN. Overall, eight Chinese investors have been allocated land in the economic zone.

<https://www.tbsnews.net/economy/chinese-firm-invest-45m-bangabandhu-sheikh-mujib-shilpa-nagar-649770>

WB-funded regional connectivity project kicks off

The first phase of the World Bank-supported Accelerating Transport and Trade Connectivity in Eastern South Asia programme was inaugurated at a capital hotel on Wednesday. The project will upgrade the 43km two-lane Sylhet Charkai-Sheola road to a four-lane one, support digital systems and infrastructure at three land ports, and modernise the Chattogram Customs House. The World Bank is providing **USD 753.45 Mn**, equivalent to BDT 81.37 Bn to implement the project.

Officials said the project will help reduce travel time to India by 30% and fatalities by 40% once it is implemented fully within 2028. The World Bank has confirmed USD 1.28 Bn in loans for accelerated transport and trade connectivity in Eastern South Asia, where it provides USD 753.45 Mn to Bangladesh, USD 275 Mn for Nepal and USD 100 Mn to Bhutan.

<https://www.tbsnews.net/bangladesh/infrastructure/wb-funded-regional-connectivity-project-kicks-649962>

Bangladesh likely to become member of BRICS in August: Momen

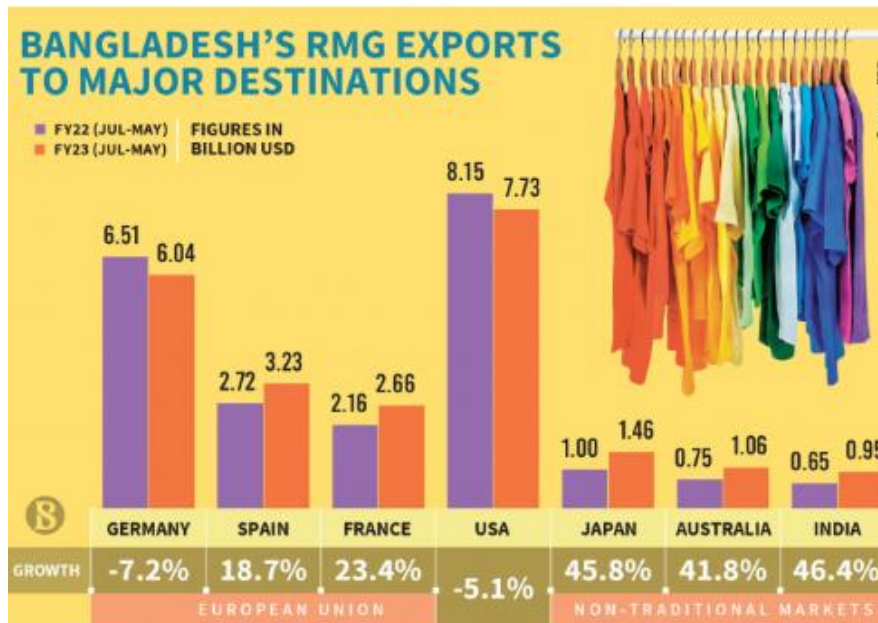
Bangladesh is likely to become a member of the BRICS in August this year. Foreign Minister AK Abdul Momen said this while briefing reporters about the outcome of the meeting between Prime Minister Sheikh Hasina and South African President Matamela Cyril Ramaphosa here at the Bilateral Meeting room of Palais de Nations. He said the BRICS Bank had invited Bangladesh as a guest, adding that in the future it would invite Bangladesh to join in.

<https://www.tbsnews.net/bangladesh/bangladesh-likely-become-member-brics-august-momen-649970>

Apparel exports to non-traditional markets surge 33%

Bangladesh's apparel exports to non-traditional markets grew by 32.74% year-on-year to about \$7.70 billion in the first 11 months of the current fiscal year, according to data from the Export Promotion Bureau.

While apparel shipments to two major markets – the US and Germany – experienced a decline of 5.07% and 7.22%, respectively. Exporters and economists have noted that Bangladesh's apparel sector is performing well in non-traditional markets following the Covid recovery.



<https://www.tbsnews.net/economy/rmg/apparel-exports-non-traditional-markets-surge-33-649954>

Electrical, electronic goods export surges

The shipment of electrical and electronics goods from Bangladesh displayed an impressive growth of 48% in July-May of the outgoing financial year on the back of improving product quality and government support, official figures showed. According to the Export Promotion Bureau, Bangladesh earned USD 115.30 Mn by selling electrical and electronics items in the overseas markets in the first 11 months of 2022-23, which was USD 77.86 Mn during the identical period a year earlier. The stellar performance comes at a time when Bangladesh's overall export earnings have slowed owing to the global slowdown and higher inflation. The shipment grew 7.11% year-on-year in July-May.

<https://www.thedailystar.net/business/economy/news/electrical-electronic-goods-export-surges-3346646>

Proposed Income Tax Bill-2023

Foreign investors worried over income tax law provisions

Foreign investors in Bangladesh yesterday expressed concern over some provisions of a proposed income tax law alongside measures, including one on increasing the minimum tax on carbonated beverage makers. The National Board of Revenue (NBR) wants to slap a 5% tax on gross receipts or turnover of carbonated beverage makers from next fiscal year. It is currently 0.6%.

Besides, as per the bill, individuals could no longer enjoy exemptions on income from Workers Profit Participation Fund, mutual fund and dividend to certain limits. The new law also seeks to make submission

tax returns compulsory by government-recognized private funds such as provident funds and gratuity funds.

<https://www.thedailystar.net/business/economy/news/foreign-investors-worried-over-income-tax-law-provisions-3346631>

New law offers scope to strike off TIN-holders

For the first time, the National Board of Revenue (NBR) has sought to grant opportunity to individuals and companies to de-register or make their taxpayer identification number (TINs) dormant owing to no taxable income and dissolution. The NBR has kept the provision in the proposed Income Tax Bill 2023 and the rule will come into force after the parliament approves it. The move comes as only a third of registered taxpayers in Bangladesh file income tax returns.

Bangladesh has around 88 Mn registered taxpayers or TIN-holders. Only 3.2 Mn filed their income tax returns as of April of the current financial year, according to the NBR data. As per the proposed rule, a person can request the NBR to make their TIN inactive if his or her taxable income is zero in the previous three years and is expected to remain zero in the future. Anyone leaving the country for good will also be able to seek to make the TIN dormant or inactive.

<https://www.thedailystar.net/business/economy/news/new-law-offers-scope-strike-tin-holders-3345666>

Bank, NBF, and Insurance

Banks' forex holdings hit four-month low

The volume of foreign currencies held by the country's commercial banks hit a four-month low in May as dollar crisis worsened amid a decline in remittance and exports earnings. In addition, the ongoing US rate hike is exacerbating the dollar shortage as it reduced foreign direct investment and caused capital outflows, bankers said.

<https://www.newagebd.net/article/204223/banks-forex-holdings-hit-four-month-low#:~:text=New%20Age%20photo-,The%20volume%20of%20foreign%20currencies%20held%20by%20the%20country's%20commercial,in%20remittance%20and%20exports%20earnings.>

BB frames rules for setting up digital banks

The Bangladesh Bank yesterday approved the guideline on digital banks, paving the way for establishing branchless banking operations, a development that is expected to accelerate cashless transactions and digital transformation. As per the guideline, investors willing to set up a digital bank will have to have a **minimum paid-up capital of BDT 1.25 Bn and the capital will have to come from sponsors**. The minimum paid-up capital that a **sponsor will have to contribute has been set at BDT 5 Mn**.

Currently, the central bank is developing a portal to receive applications from interested investors online. Applicants will have to pay a non-refundable application fee of BDT 500,000 for digital banks, sources said. At the same time, the government is developing a machine learning and artificial intelligence-based credit rating system.

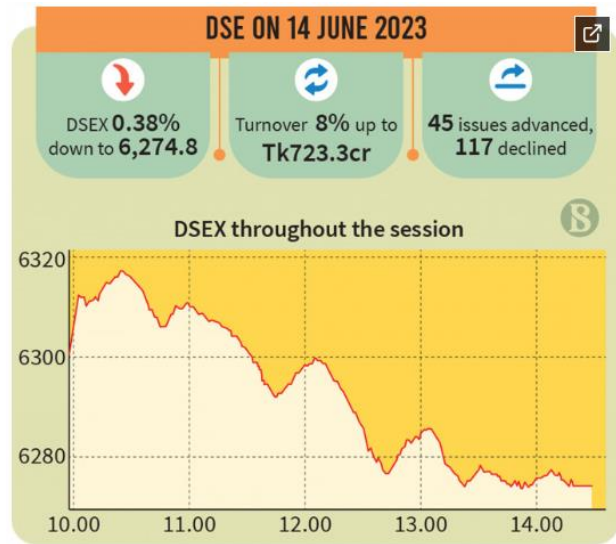
<https://www.thedailystar.net/business/economy/news/bb-frames-rules-setting-digital-banks-3346636>

Stock-Exchange News

Stocks in a bloodbath

The investors, desperate to book profits or minimise losses to hold some cash ultimately, kept pushing Dhaka-Chattogram stocks lower for the fourth straight session on Wednesday. Meanwhile, the short-term stock traders who were chasing the quick stunning rallies, especially in life insurance stocks, saw severe losses. Some stocks, like Meghna Life were down by one-fourth from the recent high in just four sessions throughout Wednesday.

<https://www.tbsnews.net/economy/stocks/stocks-bloodbath-649602>



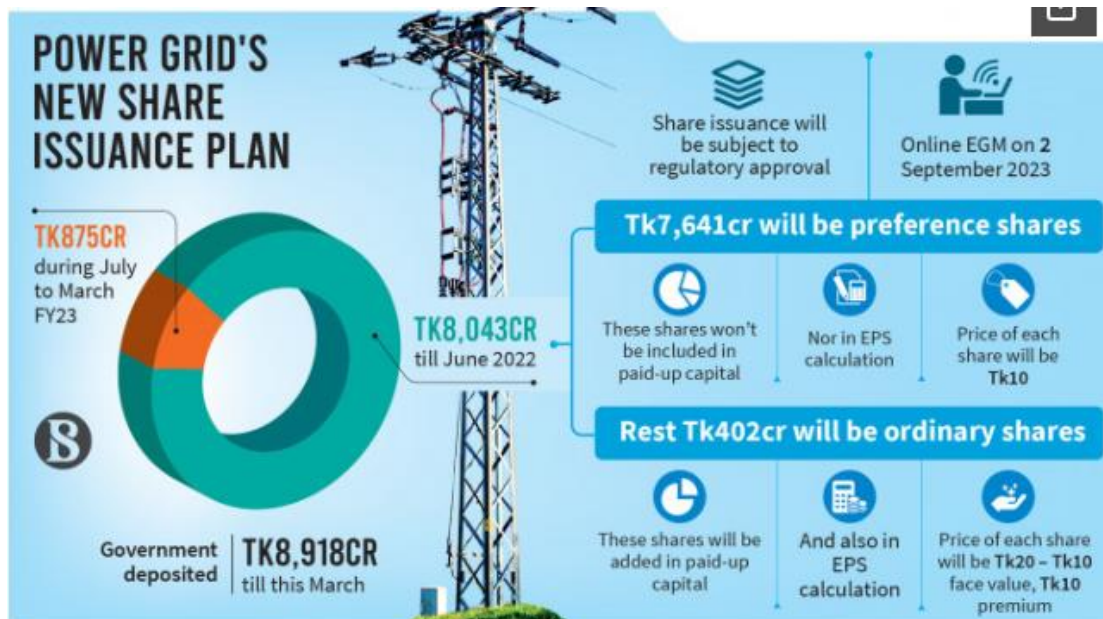
Stock-Specific News

ICB sells its entire holding of Islami Bank

The Investment Corporation of Bangladesh (ICB) has sold its entire shareholding of the Islami Bank Limited for Tk109 crore. The shares' trading was executed through the block market of the Dhaka Stock Exchange (DSE) on 23 May. According to Islami Bank data, the ICB holds 3,34,68,956 shares of the bank, which was 2.07% of the total shares.

<https://www.tbsnews.net/economy/stocks/icb-sells-its-entire-holding-islami-bank-649898>

Power Grid to issue new shares against government funds



Power Grid Company of Bangladesh has finally decided to issue shares against the share money deposit it has been taking from the government for years to finance various projects. Share money deposit is basically the amount paid for shares that have not been issued yet. Till this March, the total share money deposit of the state-owned power producer stood at Tk8,918 crore – the highest for any listed firm.

<https://www.tbsnews.net/economy/stocks/power-grid-issue-new-shares-against-government-funds-649950>